

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6814

BILL NUMBER: SB 257

NOTE PREPARED: Jan 12, 2012

BILL AMENDED: Jan 10, 2012

SUBJECT: Motor Vehicle Law.

FIRST AUTHOR: Sen. Arnold

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill makes various changes to the motor vehicle law. The bill makes conforming changes, technical corrections, and removes outdated language.

Effective Date: Upon passage; July 1, 2012.

Explanation of State Expenditures: *Changes to Operator's License Renewal:* This bill changes renewal dates for certain operator's licenses that are set to expire in CY 2012. This bill is expected to reduce the total number of operator's licenses that will require renewal in CY 2018 by reducing the valid period of operator's licenses (1) issued between May 15, 2007, and December 31, 2007, and renewed in 2012 to 5 years and (2) during CY 2006 to 4 years. [There will be no impact on licenses first issued during CY 2008.] As a result, this bill is expected to redistribute a portion of the workload to process operator's license renewal requests from CY 2018 to CY 2016 and CY 2017.

Changes to Issuance of Personalized License Plates: This bill requires personalized license plates (PLPs) to be issued on the same 5-year schedule as regular license plates (rather than on an annual basis). This bill is expected to decrease license plate production expenditures and issuance costs, which are provided by the PEN PRODUCTS Revolving Fund and the Motor Vehicle Highway Account.

The BMV reports that between FY 2007 and FY 2011, approximately 223,000 PLPs were issued (both renewals and new requests for PLPs), or an average of 44,500 per year. These 44,500 plates will no longer be required to be reissued annually, but rather every 5th year. The total cost savings 3M and PEN PRODUCTS are expected to realize as a result of this bill are estimated to be \$806,000 between FY 2013 and FY 2017. According to the Bureau of Motor Vehicles (BMV) any cost savings experienced by 3M and

PEN PRODUCTS would be passed on to the state.

Explanation of State Revenues: (Revised) This bill changes renewal fees for certain operator's licenses that are set to expire in CY 2012. The BMV reports the only fees affected are those that are deposited in the Motor Vehicle Highway Account (MVHA) and the Crossroads 2000 Fund.

The \$9 fee for operator's license renewals affected by the bill is currently deposited in the Motor Vehicle Highway Account (\$6) and the Crossroads 2000 Fund (\$3). For licenses first issued between May 15, 2007, and December 31, 2007, the renewal fee will be \$7.50 (\$5 to the MVHA and \$2.50 to the Crossroads 2000 Fund). For licenses issued or renewed during CY 2006, the renewal fee will be \$6 (\$4 to the MVHA and \$2.00 to the Crossroads 2000 Fund). [There will be no impact on fees collected from licenses issued or renewed during CY 2008.]

As a result of the reduction of renewal fees, the MVHA and Crossroads 2000 Fund are estimated to see revenue reductions of approximately \$2.66 M and \$760,000 during CY 2012. The total revenue loss between both funds for CY 2012 is approximately \$3.42 M.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV, Department of Corrections (PEN PRODUCTS).

Local Agencies Affected:

Information Sources: Elizabeth Murphy, BMV.

Fiscal Analyst: Bill Brumbach, 232-9559.